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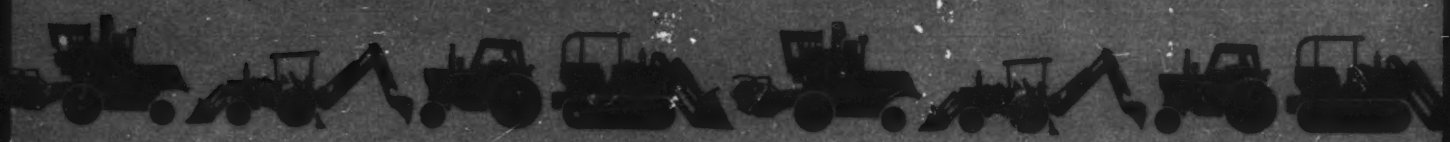


FARM AND INDUSTRIAL EQUIPMENT DEALERS

1978 COST OF DOING BUSINESS STUDY

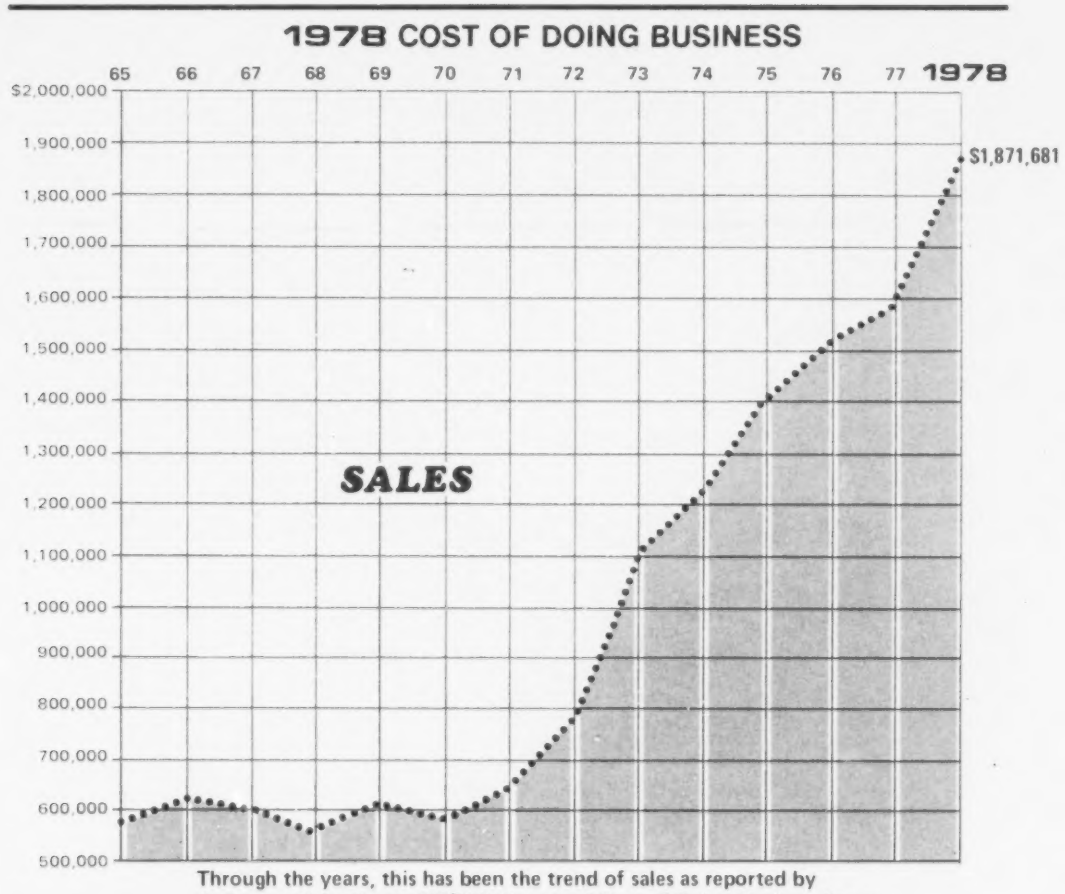
SALES MARGINS / EXPENSES / NET PROFIT / FINANCIAL RATIOS
BALANCE SHEET DATA / EMPLOYEE STUDIES and MUCH MORE

PRICE $3.00

NATIONAL FARM & POWER EQUIPMENT DEALERS ASSOCIATION

TRENDS AND HIGHLIGHTS

SALES



Through the years, this has been the trend of sales as reported by dealers participating in NFPEDA's annual Cost of Doing Business Study.

MARGINS, EXPENSES, PROFITS

AVERAGES OF REPORTING DEALERS

	'67	'68	'69	'70	'71	'72	'73	'74	'75	'76	'77	'78
	(Percent of Sales)											
Margins	15.52	16.31	16.56	17.29	16.62	16.74	18.52	19.58	18.56	18.00	17.99%	17.15%
Expenses	12.22	13.40	14.02	14.24	13.67	13.59	12.78	13.61	13.29	13.76	14.40%	13.36%
Net Profits before taxes	3.30	2.91	2.54	3.05	2.95	3.15	5.74	5.97	5.27	4.24	3.59%	3.79%

Here is the story on what has happened to margins, expenses and profits before taxes, according to reporting dealers.

COST OF DOING BUSINESS STUDY 1978

Contained in this booklet are the results of the 1978 Cost of Doing Business Survey.

Combined total retail sales of dealers responding to the survey were in excess of $3,000,000,000. Questionnaire returns from dealers included those with complete departmental breakdown, and those with summary totals only. The two groups were "merged" in the compilation of results presented in this booklet.

All Dealer and Regional operating studies by Volume Group start on page 6; All Dealer and Regional Balance Sheet Studies by Volume Group begin on page 14; All Dealer and Regional Operating and Financial Ratios begin on page 18; and All Dealer and Regional Employee Studies by Volume Group appear on page 20.

Separate studies of dealers handling industrial equipment were tabulated and are shown starting on page 21. Based on information received from reporting dealers, sales of industrial equipment, parts and service represents more than 50% of the total business reflected in these special studies.

Operating figures furnished by dealer-members form the basis for all tabulations appearing in this Cost of Doing Business Study. Illustrated above is the questionnaire form that was used in the survey.

No returns were included from dealers who discontinued business or who failed during the year.

Returns were received from dealers in the three geographical regions described on page 4, in almost exact proportion to the number of members in these regions. since the records of the National Association do not show sales volume of its members, there was no way to determine whether returns were received from dealers in the various volume groups in proportion to the number of dealers in each group.

Volume mix for 1978 is provided below.

Sales Volume	*Percent of Total Response*
	1978
$0 to $1,000,000	28%
$1,000,000 to $2,000,000	35%
$2,000,000 and Over	37%

To compare your operations with averages of other dealers of similar size, select the group which corresponds to your sales volume.

Before entering your figures in the special column reserved for your use on the following pages, be sure that:

1. All freight costs have been charged to proper Cost of Sales accounts on your records, and freight income has been credited to appropriate departmental sales.
2. Mechanics' wages have been charged to Cost of Sales of Service Labor.
3. Handling Charges have been included in Sales of Service Labor, and charged to appropriate departmental Cost of Sales.
4. Total Expense includes a salary for Officers, Owners and Managers.
5. All income and expense not directly related to your retail business have been eliminated from your operating figures.

With these necessary adjustments, you are ready to proceed. You will find the "All Dealer" Average of your volume group in the column immediately to the left of "Your Figures." You may also wish to compare your figures to the average dealer figures in your Region which are located on the page to the right of the page containing "All Dealer" figures.

In the expense detail of these studies, certain items should be interpreted with care. For example, in many dealerships, employees often have dual or multiple responsibilities; and for accounting purposes, salaries of such employees are usually charged to one salary expense account which represents their major responsibility in the business. Dealers normally do not allocate these salaries when the breakdown is not deemed essential for their own management purposes.

Because of this fact, it is recommended for purposes of comparison, that the total of the five salary items be used. (Mechanics' salaries, which are charged to Cost of Sales of Service Labor, are not included in expense.)

The expense account "Taxes (except payroll and real estate)" now reflects only taxes paid on inventories and fixed assets other than buildings.

Other items deserving care in interpretation are Occupancy Expense, Insurance (except group and real estate), Interest and Bank Charges (except real estate) and Depreciation. Occupancy Expense includes rent or lease payments on buildings and land used by the business and may under certain lease terms also reflect building taxes, insurance and maintenance. When owned by the business, Occupancy Expense reflects only building related maintenance, insurance, taxes, depreciation and mortgage interest. Depreciation reflects only expense for all fixed assets other than Real Estate.

When making comparisons of your figures with those to be found in this study, bear in mind that "average" is a combination of the poorest of the best and best of the poorest. It should not be a source of particular satisfaction to you to find that you are as good as the average. However, if your operating figures compare favorably with those in the column immediately to the right of "Your Figures", you may count yourself among the best in the business. These figures are the averages of the top dealers in your group in net profit percentage of sales.

Returns used in compiling averages of High-Profit and Low-Profit dealers each represent approximately one-fourth of the volume group. To get these figures, the questionnaire returns were first ranked according to percentage of net profit (or loss) to sales, from the highest to the lowest. The best one-fourth and the poorest one-fourth of the returns involved were then selected to make these tabulations — a most interesting and valuable part of the Cost of Doing Business Study. Be sure you make full use of it.

PERCENTAGES (Pages 6 thru 13)

All percentages shown in Operating Studies are in relation to Sales. They are computed by dividing the dollars of margin or expense by Sales.

In the case of margins, each item is divided by sales of the department to arrive at the percentage of margin for the department. Total Margin divided by Total Sales gives the percentage of margin on the composite of all sales.

Percentages shown for expenses are in relation to Total Sales. Again, the dollar amount for each item is divided by Total Sales to arrive at the percentage.

Operating percentages are important since they reflect the degree of operating efficiency. These figures are the true test of management, and serve as a sound basis for accurate comparison regardless of sales volume.

STATES OR PROVINCES IN EACH REGION

EASTERN

Alabama
Connecticut
Delaware
Florida
Georgia
Maine
Maryland
Massachusetts
New Hampshire
New Jersey
New York
North Carolina
Ontario
Pennsylvania
Quebec
Rhode Island
South Carolina
Vermont
Virginia
West Virginia

CENTRAL

Arkansas
Illinois
Indiana
Iowa
Kentucky
Louisiana
Michigan
Minnesota
Mississippi
Missouri
Ohio
Sask-Man
Tennessee
Wisconsin

WESTERN

Alberta
Arizona
California
Colorado
Idaho
Kansas
Montana
Nebraska
Nevada
New Mexico
North Dakota
Oklahoma
Oregon
South Dakota
Texas
Utah
Washington
Wyoming

TEN IMPORTANT FINANCIAL AND OPERATING RATIOS

Financial records, carefully maintained, provide dealers with the only sound measuring device for business success. They help to measure the ability of their business to generate profits and to meet claims against it. They provide the basis, also, for isolating the business' strengths and weaknesses and may, through analysis, suggest how best to plan for profits and to maintain solvency.

With this in mind, the following ratios have been developed from year-end operating statements and balance sheets submitted by dealers in the current studies. Dealers having adequate records will find comparison of these ratios most revealing and helpful.

CURRENT RATIO (Pages 18-19)

Figure by dividing Current Assets by Current Liabilities.

This ratio compares the total of Cash and the items which will be converted into cash, with debts which must be paid soon. Thus, the ratio reflects ability to handle current debts.

A ratio of 2.00 to 1 ($2.00 of Current Assets for each $1.00 of Current Liabilities) is considered satisfactory. When the ratio falls below 2.00 to 1, creditors have a greater interest in Current Assets than the owner.

EMPLOYEE STUDIES (Pages 20)

In the blank column provided for your Region and Volume Group, enter the number of employees in each category as applicable for your business. Then — calculate the average Sales Per Employee by Dividing the applicable sales amount by the number of employees you have just entered for each category.

Comparison of your sales per employee in each category to the averages for your Region and Volume Group is the first step in measuring employee efficiency. The next step is to compare your current year figures to previous years for your business to identify improvements.

OWNERSHIP EQUITY (Pages 18-19)

Figure by dividing Net Worth by Total Assets.

This ratio shows how much of the business is proprietor-owned; and conversely, by subtracting the percentage from 100%, it shows how much of the business is financed by outside capital (creditors).

When Net Worth is less than 50% of Total Assets, creditors have a greater interest in the assets than proprietors.

RECEIVABLES TURNOVER (Pages 18-19)

Figure by dividing Total Sales by Receivables.

This ratio shows whether or not Receivables are in proportion to amount of business transacted. When lower than average, it might mean that collections are not up to par.

This ratio might be used every month to good advantage. Divide sales year-to-date by receivables and compare with ratio for same period in past two or three years. Unfavorable trends can thus be detected.

NET WORKING CAPITAL TURNOVER (Pages 18-19)

Net Working Capital is determined by subtracting Current Liabilities from Current Assets.

Rate of turnover is figured by dividing Sales by Net Working Capital.

How many times Net Working Capital turns over in a year in Sales is a good measure of activity for any business. It is a sensitive indicator of overtrading or undertrading; and as such, it is a good test of the adequacy of Net Working Capital for the scale of operations of the firm.

When this ratio is too high, it will usually be found that the dealership is short of cash and heavy on receivables and paid-for inventory. This situation promotes borrowing or sale of equipment at a loss to meet payroll and other fixed obligations. When it is too low, inefficient use of capital in the dealership is indicated. It is usually attended by a pile-up of receivables or inventory or cash, or a combination of these, in excess of the needs of the business.

INVENTORY TO NET WORKING CAPITAL (Pages 18-19)

Figure by dividing Inventory by Net Working Capital.

This ratio for most dealers in the farm and power equipment industry is extremely high because first, inventories are characteristically heavy and represent a major portion of Total Current Assets; and second, because of the heavy financing of whole goods.

In other retail lines where the ratio of Inventories to Net Working Capital is less than 100%, inventory requirements are relatively smaller and supplier credit terms are shorter.

TURNOVER OF TOTAL ASSETS (Pages 18-19)

Figure by dividing Sales by Total Assets.

The importance of this ratio is illustrated in the question of why a dealership with $100,000 of Total Assets achieves Total Sales of $500,000 while another with an equal amount of assets achieves a Total Sales volume of only $300,000. The first would seem to be more efficient in its use of assets.

However, a high rate of turnover is not necessarily the key to profits. As in the ratio, Sales to Net Working Capital, high turnover may be an indicator of inadequate capital in relation to sales volume.

RETURN ON ASSETS (Pages 18-19)

Figure by dividing Net Profit by Total Assets.

This ratio, too, is an important test of operating efficiency. It is a test of the quality of management in the utilization assets in the business. It lays aside all problems related to the source of funds, whether such funds are obtained from capital investment, borrowings, or purchases on credit. It shows the return on total capital invested in the business (owner capital plus outside capital), which is represented by Total Assets.

RETURN ON NET WORTH (Pages 18-19)

Figure by dividing Net Profit by Net Worth.

In using this ratio, it is important that a fair salary for the owner be included in operating expenses of the business. The owner's time is certainly worth something; therefore, all Net Profit ratios should be based upon the profit *after* this salary is paid or taken into consideration in the figuring. Adequacy of profit must be measured in the light of current returns on money in the investment market, as well as compensation for risk.

INVENTORY TURNOVER Pages 14 thru 17)

Figure by dividing cost of sales by Inventory.

This ratio shows the number of times Inventory is bought and sold during the year, reflected in "turnover" in the balance sheet studies.

NORTH AMERICAN OPERATING AVERAGES
ALL DEALERS

LINE NO.	ACCOUNT DESCRIPTION	AVERAGE		YOUR FIGURES		HIGH PROFIT		LOW PROFIT	
		Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
	SALES:								
1	New Equipment	$1,022,106	54.60			$1,092,772	52.25	$ 854,316	56.09
2	Used Equipment	348,661	18.63			350,918	16.78	293,393	19.26
3	*Total New and Used*	1,370,767	73.23			1,443,690	69.03	1,147,709	75.35
4	Repair Parts	300,151	16.04			365,888	17.49	239,595	15.74
5	Service Labor	109,810	5.87			133,977	6.41	88,333	5.80
6	All Other Lines	69,193	3.69			108,492	5.19	37,418	2.45
7	Rental-Lease Income	21,760	1.17			39,241	1.88	9,915	.66
8	**TOTAL SALES**	**1,871,681**	**100.00**			**2,091,288**	**100.00**	**1,522,970**	**100.00**
	MARGINS:								
9	New Equipment	111,133	10.87			143,439	13.13	74,487	8.72
10	Used Equipment	25,828	7.41			45,987	13.10	12,214	4.16
11	*Total New and Used*	136,961	9.99			189,426	13.12	86,701	7.55
12	Repair Parts	87,445	29.13			114,389	31.26	66,325	27.68
13	Service Labor	37,988	34.59			52,340	39.07	25,435	28.79
14	All Other Lines	11,253	16.26			23,186	21.37	5,223	13.96
15	Rental-Lease Income	6,921	31.81			12,528	31.93	2,936	29.61
16	**TOTAL OPERATING MARGIN**	**280,568**	**14.99**			**391,869**	**18.74**	**186,620**	**12.25**
	EXPENSES:								
17	Salaries-Salesmen	22,722	1.21			25,960	1.24	17,488	1.14
18	Travel and Training	3,934	.21			4,455	.21	3,459	.23
19	Advertising and Promotion	9,892	.53			10,257	.49	8,617	.57
20	After Sales & Warranty Exp.	10,974	.58			10,279	.49	11,634	.76
21	**TOTAL SALES EXPENSES**	**47,522**	**2.53**			**50,951**	**2.43**	**41,198**	**2.70**
22	Salaries - Officers, Owners	34,146	1.83			37,114	1.78	29,253	1.92
23	Salaries - Partsmen	21,295	1.14			25,046	1.19	17,454	1.15
24	Salaries - Office and Others	18,390	.98			21,403	1.03	15,050	.99
25	Occupancy Expense	23,446	1.25			24,996	1.19	20,637	1.35
26	Heat, Light, Power, Water	4,965	.27			5,149	.25	4,523	.30
27	Telephone and Telegraph	4,461	.23			4,792	.23	4,149	.27
28	Office & Store Exp., and Postage	7,679	.42			8,081	.38	7,391	.48
29	Shop Supplies and Expense	6,929	.37			8,177	.40	6,257	.42
30	Car and Truck Expense	14,017	.74			16,052	.76	11,964	.78
31	Taxes - Except Payroll & Real Estate	4,030	.22			4,530	.22	4,155	.27
32	Employee Benefits	21,660	1.16			25,406	1.21	17,449	1.15
33	Dues and Subscriptions	687	.03			828	.04	568	.04
34	Insurance - Except Group & R.E.	8,924	.48			9,885	.48	8,496	.56
35	Legal and Auditing	2,501	.13			2,585	.12	2,632	.17
36	Interest & Bank Chgs - Except R.E.	13,960	.75			10,695	.51	16,477	1.08
37	Depreciation — Except R.E.	8,959	.48			8,727	.42	8,328	.55
38	Bad Debts	2,587	.14			2,666	.13	1,956	.12
39	Contributions and Miscellaneous	3,981	.21			5,211	.25	3,039	.20
40	**TOTAL EXPENSES**	**250,139**	**13.36**			**272,294**	**13.02**	**220,976**	**14.50**
41	**NET PROFIT ON SALES**	**30,429**	**1.63**			**119,575**	**5.72**	**(34,356)**	**(2.25)**
42	**Other Income**	**40,598**	**2.16**			**53,885**	**2.57**	**27,862**	**1.82**
43	**NET OPERATING PROFIT OR LOSS (Before Income Taxes)**	**71,027**	**3.79**			**173,460**	**8.29**	**(6,494)**	**(.43)**

REGIONAL OPERATING AVERAGES
ALL DEALERS

LINE NO.	ACCOUNT DESCRIPTION	EASTERN		YOUR FIGURES		CENTRAL		WESTERN	
		Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
	SALES:								
1	New Equipment	$ 876,354	53.89			$1,019,650	55.88	1,131,968	52.43
2	Used Equipment	223,829	13.76			372,269	20.41	381,894	17.69
3	*Total New and Used*	1,100,183	67.65			1,391,919	76.29	1,513,862	70.12
4	Repair Parts	305,201	18.77			266,223	14.59	376,857	17.45
5	Service Labor	100,376	6.17			99,304	5.45	141,414	6.55
6	All Other Lines	99,255	6.10			49,834	2.73	93,556	4.34
7	Rental-Lease Income	21,155	1.31			17,109	.94	33,203	1.54
8	**TOTAL SALES**	**1,626,170**	**100.00**			**1,824,389**	**100.00**	**2,158,892**	**100.00**
	MARGINS:								
9	New Equipment	114,031	13.01			102,379	10.04	129,785	11.47
10	Used Equipment	14,846	6.63			27,143	7.29	30,555	8.00
11	*Total New and Used*	128,877	11.71			129,522	9.31	160,340	10.59
12	Repair Parts	88,668	29.05			76,723	28.82	111,954	29.71
13	Service Labor	35,377	35.24			32,937	33.17	51,808	36.64
14	All Other Lines	18,966	19.11			8,059	16.17	13,309	14.23
15	Rental-Lease Income	6,681	31.58			5,671	33.15	10,054	30.28
16	**TOTAL OPERATING MARGIN**	**278,569**	**17.13**			**252,912**	**13.86**	**347,465**	**16.09**
	EXPENSES:								
17	Salaries-Salesmen	24,982	1.53			18,231	.99	31,741	1.47
18	Travel and Training	3,953	.24			3,241	.18	5,559	.25
19	Advertising and Promotion	9,171	.57			9,351	.51	11,689	.54
20	After Sales & Warranty Exp.	8,249	.51			10,641	.59	13,708	.64
21	**TOTAL SALES EXPENSES**	**46,355**	**2.85**			**41,464**	**2.27**	**62,697**	**2.90**
22	Salaries - Officers, Owners	33,847	2.08			31,550	1.73	40,506	1.88
23	Salaries - Partsmen	20,497	1.26			19,111	1.04	27,034	1.25
24	Salaries - Office and Others	20,408	1.25			15,938	.88	22,752	1.05
25	Occupancy Expense	20,901	1.29			21,505	1.18	29,860	1.38
26	Heat, Light, Power, Water	4,771	.29			4,842	.26	5,395	.25
27	Telephone and Telegraph	4,917	.30			3,891	.22	5,487	.26
28	Office & Store Exp., and Postage	8,328	.52			6,539	.35	9,914	.46
29	Shop Supplies and Expense	6,359	.39			6,338	.35	8,736	.40
30	Car and Truck Expense	14,944	.92			12,557	.69	16,810	.78
31	Taxes - Except Payroll & Real Estate	4,559	.28			3,071	.17	5,922	.28
32	Employee Benefits	21,220	1.30			19,539	1.07	26,995	1.25
33	Dues and Subscriptions	710	.04			593	.03	890	.04
34	Insurance - Except Group & R.E.	8,484	.53			8,844	.49	9,427	.43
35	Legal and Auditing	2,522	.15			2,268	.12	3,037	.14
36	Interest & Bank Chgs - Except R.E.	12,938	.80			12,663	.69	17,760	.83
37	Depreciation — Except R.E.	7,493	.46			8,507	.47	11,076	.51
38	Bad Debts	3,408	.21			1,897	.11	3,633	.17
39	Contributions and Miscellaneous	3,956	.24			3,997	.21	3,960	.18
40	**TOTAL EXPENSES**	**246,617**	**15.16**			**225,114**	**12.33**	**311,891**	**14.44**
41	**NET PROFIT ON SALES**	**31,952**	**1.96**			**27,798**	**1.52**	**35,574**	**1.65**
42	**Other Income**	**37,383**	**2.29**			**40,039**	**2.19**	**44,217**	**2.04**
43	**NET OPERATING PROFIT OR LOSS (Before Income Taxes)**	**69,335**	**4.25**			**67,837**	**3.71**	**79,791**	**3.69**

GROUP "A" OPERATING AVERAGES
DEALERS WITH SALES TO $1,000,000

LINE NO.	ACCOUNT DESCRIPTION	AVERAGE		YOUR FIGURES		HIGH PROFIT		LOW PROFIT	
		Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
	SALES:								
1	New Equipment	$ 354,240	55.05			$ 351,795	54.15	$ 316,905	56.51
2	Used Equipment	101,510	15.78			98,879	15.22	90,584	16.16
3	*Total New and Used*	455,750	70.83			450,674	69.37	407,489	72.67
4	Repair Parts	127,270	19.78			134,988	20.78	104,544	18.64
5	Service Labor	36,102	5.61			37,491	5.77	30,666	5.47
6	All Other Lines	21,685	3.37			22,709	3.49	15,005	2.68
7	Rental-Lease Income	2,600	.41			3,780	.59	3,025	.54
8	**TOTAL SALES**	**643,407**	**100.00**			**649,642**	**100.00**	**560,729**	**100.00**
	MARGINS:								
9	New Equipment	38,871	10.97			44,727	12.71	30,641	9.67
10	Used Equipment	10,022	9.87			14,374	14.54	4,064	4.49
11	*Total New and Used*	48,893	10.73			59,101	13.11	34,705	8.52
12	Repair Parts	36,079	28.35			41,687	30.88	28,290	27.06
13	Service Labor	8,867	24.56			11,250	30.01	4,576	14.92
14	All Other Lines	3,790	17.48			4,669	20.56	2,279	15.19
15	Rental-Lease Income	1,073	41.27			1,380	36.51	1,132	37.42
16	**TOTAL OPERATING MARGIN**	**98,702**	**15.34**			**118,087**	**18.18**	**70,982**	**12.66**
	EXPENSES:								
17	Salaries-Salesmen	5,892	.91			5,023	.77	6,189	1.10
18	Travel and Training	1,416	.22			1,131	.17	1,620	.29
19	Advertising and Promotion	4,374	.68			3,990	.62	4,180	.74
20	After Sales & Warranty Exp.	2,614	.41			2,056	.31	2,782	.50
21	**TOTAL SALES EXPENSES**	**14,296**	**2.22**			**12,200**	**1.87**	**14,771**	**2.63**
22	Salaries - Officers, Owners	13,804	2.14			10,002	1.54	15,964	2.85
23	Salaries - Partsmen	8,365	1.30			7,899	1.22	7,996	1.42
24	Salaries - Office and Others	7,082	1.10			6,281	.97	7,586	1.36
25	Occupancy Expense	9,333	1.45			8,407	1.29	9,650	1.72
26	Heat, Light, Power, Water	2,612	.41			2,512	.39	2,494	.44
27	Telephone and Telegraph	2,051	.32			1,837	.28	2,314	.41
28	Office & Store Exp., and Postage	3,018	.47			2,231	.34	3,736	.67
29	Shop Supplies and Expense	3,173	.49			2,941	.45	3,468	.62
30	Car and Truck Expense	5,661	.88			5,296	.82	5,487	.98
31	Taxes - Except Payroll & Real Estate	1,784	.28			2,028	.31	1,463	.26
32	Employee Benefits	7,530	1.17			7,702	1.19	7,137	1.27
33	Dues and Subscriptions	373	.06			364	.05	353	.06
34	Insurance - Except Group & R.E.	4,506	.70			4,126	.64	4,452	.80
35	Legal and Auditing	1,364	.21			1,189	.18	1,689	.30
36	Interest & Bank Chgs - Except R.E.	5,787	.90			3,904	.60	6,885	1.23
37	Depreciation — Except R.E.	3,350	.52			3,281	.51	3,246	.58
38	Bad Debts	740	.11			599	.09	694	.12
39	Contributions and Miscellaneous	1,215	.19			797	.12	1,987	.35
40	**TOTAL EXPENSES**	**96,044**	**14.92**			**83,596**	**12.86**	**101,372**	**18.07**
41	**NET PROFIT ON SALES**	**2,658**	**.41**			**34,491**	**5.31**	**(30,390)**	**(5.41)**
42	**Other Income**	**15,110**	**2.34**			**20,537**	**3.16**	**10,344**	**1.84**
43	**NET OPERATING PROFIT OR LOSS (Before Income Taxes)**	**17,768**	**2.75**			**55,028**	**8.47**	**(20,046)**	**(3.57)**

GROUP "A" REGIONAL OPERATING AVERAGES
DEALERS WITH SALES TO $1,000,000

LINE NO.	ACCOUNT DESCRIPTION	EASTERN		YOUR FIGURES		CENTRAL		WESTERN	
		Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
	SALES:								
1	New Equipment	$ 375,749	54.84			$346,125	55.65	$353,937	53.61
2	Used Equipment	89,137	13.02			104,467	16.80	106,797	16.18
3	*Total New and Used*	464,886	67.86			450,592	72.45	460,734	69.79
4	Repair Parts	148,011	21.60			114,406	18.39	142,029	21.52
5	Service Labor	38,991	5.69			33,324	5.36	41,105	6.23
6	All Other Lines	29,795	4.35			21,687	3.49	12,425	1.88
7	Rental-Lease Income	3,368	.50			1,902	.31	3,806	.58
8	**TOTAL SALES**	**685,051**	**100.00**			**621,911**	**100.00**	**660,099**	**100.00**
	MARGINS:								
9	New Equipment	44,382	11.81			37,238	10.76	37,460	10.58
10	Used Equipment	7,611	8.54			12,539	12.00	5,257	4.92
11	*Total New and Used*	51,993	11.18			49,777	11.05	42,717	9.27
12	Repair Parts	42,330	28.60			31,448	27.49	42,781	30.12
13	Service Labor	10,280	26.37			7,477	22.44	11,408	27.75
14	All Other Lines	4,503	15.11			3,766	17.37	3,046	24.52
15	Rental-Lease Income	719	21.35			1,089	57.26	1,426	37.47
16	**TOTAL OPERATING MARGIN**	**109,825**	**16.03**			**93,557**	**15.04**	**101,378**	**15.36**
	EXPENSES:								
17	Salaries-Salesmen	8,216	1.19			4,784	.76	6,552	.99
18	Travel and Training	1,460	.22			1,234	.20	1,909	.29
19	Advertising and Promotion	4,410	.64			4,293	.69	4,572	.69
20	After Sales & Warranty Exp.	2,247	.33			2,559	.41	3,194	.48
21	**TOTAL SALES EXPENSES**	**16,333**	**2.38**			**12,870**	**2.06**	**16,227**	**2.45**
22	Salaries - Officers, Owners	16,607	2.42			12,788	2.06	13,642	2.07
23	Salaries - Partsmen	9,512	1.39			7,688	1.24	9,079	1.38
24	Salaries - Office and Others	8,700	1.27			6,118	.98	8,116	1.22
25	Occupancy Expense	9,523	1.39			8,569	1.38	11,400	1.73
26	Heat, Light, Power, Water	2,690	.39			2,653	.43	2,398	.37
27	Telephone and Telegraph	2,572	.38			1,754	.28	2,343	.35
28	Office & Store Exp., and Postage	3,440	.50			2,892	.46	2,916	.44
29	Shop Supplies and Expense	3,393	.50			2,928	.47	3,652	.56
30	Car and Truck Expense	7,495	1.09			4,830	.78	6,050	.91
31	Taxes - Except Payroll & Real Estate	1,937	.28			1,628	.26	2,076	.32
32	Employee Benefits	8,538	1.25			7,143	1.15	7,537	1.14
33	Dues and Subscriptions	436	.06			340	.05	400	.06
34	Insurance - Except Group & R.E.	4,670	.69			4,337	.70	4,824	.73
35	Legal and Auditing	1,538	.22			1,229	.20	1,569	.24
36	Interest & Bank Chgs - Except R.E.	5,409	.79			5,464	.88	7,185	1.09
37	Depreciation — Except R.E.	3,291	.48			3,334	.53	3,466	.52
38	Bad Debts	826	.12			762	.13	578	.09
39	Contributions and Miscellaneous	1,115	.16			1,284	.20	1,124	.17
40	**TOTAL EXPENSES**	**108,025**	**15.76**			**88,611**	**14.24**	**104,582**	**15.84**
41	**NET PROFIT ON SALES**	**1,800**	**.26**			**4,946**	**.80**	**(3,204)**	**(.48)**
42	**Other Income**	**17,877**	**2.60**			**12,980**	**2.08**	**18,314**	**2.77**
43	**NET OPERATING PROFIT OR LOSS (Before Income Taxes)**	**19,677**	**2.86**			**17,926**	**2.88**	**15,110**	**2.29**

GROUP "B" OPERATING AVERAGES
DEALERS WITH SALES $1,000,000 TO $2,000,000

LINE NO.	ACCOUNT DESCRIPTION	AVERAGE		YOUR FIGURES		HIGH PROFIT		LOW PROFIT	
		Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
	SALES:								
1	New Equipment	$ 815,498	56.00			$ 817,867	55.13	$ 817,837	56.78
2	Used Equipment	262,028	17.99			262,561	17.70	269,609	18.72
3	*Total New and Used*	1,077,526	73.99			1,080,428	72.83	1,087,446	75.50
4	Repair Parts	238,045	16.35			244,687	16.49	224,190	15.57
5	Service Labor	78,194	5.37			76,530	5.16	79,508	5.52
6	All Other Lines	50,867	3.49			73,721	4.97	36,378	2.52
7	Rental-Lease Income	11,562	.80			8,088	.55	12,683	.89
8	**TOTAL SALES**	**1,456,194**	**100.00**			**1,483,454**	**100.00**	**1,440,205**	**100.00**
	MARGINS:								
9	New Equipment	91,894	11.27			114,326	13.98	70,645	8.64
10	Used Equipment	19,101	7.29			37,053	14.11	8,594	3.19
11	*Total New and Used*	110,995	10.30			151,379	14.01	79,239	7.29
12	Repair Parts	68,911	28.95			74,553	30.47	62,761	27.99
13	Service Labor	22,218	28.41			23,134	30.23	18,069	22.73
14	All Other Lines	8,591	16.89			15,518	21.05	7,253	19.94
15	Rental-Lease Income	3,518	30.43			2,459	30.40	3,523	27.78
16	**TOTAL OPERATING MARGIN**	**214,233**	**14.71**			**267,043**	**18.00**	**170,845**	**11.86**
	EXPENSES:								
17	Salaries-Salesmen	15,466	1.06			13,721	.92	15,857	1.10
18	Travel and Training	2,926	.20			2,713	.18	2,762	.19
19	Advertising and Promotion	8,258	.57			7,429	.50	8,484	.59
20	After Sales & Warranty Exp.	7,069	.48			6,033	.41	9,000	.62
21	**TOTAL SALES EXPENSES**	33,719	2.31			29,896	2.01	36,103	2.50
22	Salaries - Officers, Owners	27,808	1.91			30,545	2.06	27,329	1.90
23	Salaries - Partsmen	17,104	1.17			17,447	1.18	15,678	1.09
24	Salaries - Office and Others	14,456	1.00			15,146	1.02	13,515	.94
25	Occupancy Expense	18,322	1.26			15,511	1.04	19,823	1.37
26	Heat, Light, Power, Water	4,221	.29			3,955	.27	4,527	.32
27	Telephone and Telegraph	3,664	.25			3,406	.23	3,989	.27
28	Office & Store Exp., and Postage	5,841	.40			5,373	.36	6,504	.46
29	Shop Supplies and Expense	5,643	.39			5,093	.34	6,206	.43
30	Car and Truck Expense	11,063	.76			10,594	.72	11,973	.83
31	Taxes - Except Payroll & Real Estate	3,475	.23			3,262	.22	3,652	.25
32	Employee Benefits	15,724	1.08			15,083	1.01	15,559	1.08
33	Dues and Subscriptions	532	.04			476	.04	505	.04
34	Insurance - Except Group & R.E.	7,976	.55			7,742	.52	8,883	.61
35	Legal and Auditing	2,257	.15			2,176	.15	2,639	.19
36	Interest & Bank Chgs - Except R.E.	11,894	.82			7,696	.51	16,469	1.14
37	Depreciation — Except R.E.	7,119	.49			5,986	.41	7,783	.54
38	Bad Debts	2,013	.14			1,620	.11	2,206	.15
39	Contributions and Miscellaneous	2,672	.18			2,890	.19	2,149	.15
40	**TOTAL EXPENSES**	**195,503**	**13.42**			**183,897**	**12.39**	**205,492**	**14.26**
41	**NET PROFIT ON SALES**	**18,730**	**1.29**			**83,146**	**5.60**	**(34,647)**	**(2.40)**
42	**Other Income**	**30,728**	**2.11**			**36,947**	**2.49**	**25,079**	**1.74**
43	**NET OPERATING PROFIT OR LOSS (Before Income Taxes)**	**49,458**	**3.40**			**120,093**	**8.09**	**(9,568)**	**(.66)**

GROUP "B" REGIONAL OPERATING AVERAGES
DEALERS WITH SALES $1,000,000 TO $2,000,000

LINE NO.	ACCOUNT DESCRIPTION	EASTERN		YOUR FIGURES		CENTRAL		WESTERN	
		Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
	SALES:								
1	New Equipment	$ 771,842	53.77			$ 841,999	57.27	$ 784,971	54.54
2	Used Equipment	201,200	14.02			283,361	19.28	255,623	17.77
3	*Total New and Used*	973,042	67.79			1,125,360	76.55	1,040,594	72.31
4	Repair Parts	269,806	18.80			221,507	15.07	253,902	17.64
5	Service Labor	85,091	5.93			73,708	5.01	83,708	5.82
6	All Other Lines	91,842	6.39			39,952	2.72	47,176	3.28
7	Rental-Lease Income	15,515	1.09			9,457	.65	13,643	.95
8	**TOTAL SALES**	**1,435,296**	**100.00**			**1,469,984**	**100.00**	**1,439,023**	**100.00**
	MARGINS:								
9	New Equipment	100,577	13.03			87,387	10.38	96,196	12.25
10	Used Equipment	9,949	4.94			24,103	8.51	13,984	5.47
11	*Total New and Used*	110,526	11.36			111,490	9.91	110,180	10.59
12	Repair Parts	76,485	28.35			62,874	28.38	77,545	30.54
13	Service Labor	24,923	29.29			20,252	27.48	24,860	29.70
14	All Other Lines	21,802	23.74			5,541	13.87	6,313	13.38
15	Rental-Lease Income	4,430	28.55			3,376	35.70	3,201	23.46
16	**TOTAL OPERATING MARGIN**	**238,166**	**16.59**			**203,533**	**13.85**	**222,099**	**15.43**
	EXPENSES:								
17	Salaries-Salesmen	21,550	1.50			12,610	.85	17,780	1.23
18	Travel and Training	3,419	.23			2,541	.18	3,469	.24
19	Advertising and Promotion	8,168	.57			8,282	.56	8,267	.58
20	After Sales & Warranty Exp.	6,559	.46			6,752	.46	8,165	.56
21	**TOTAL SALES EXPENSES**	**39,696**	**2.76**			**30,185**	**2.05**	**37,681**	**2.61**
22	Salaries - Officers, Owners	30,020	2.09			25,654	1.74	31,233	2.17
23	Salaries - Partsmen	19,491	1.36			15,733	1.07	18,591	1.30
24	Salaries - Office and Others	17,656	1.23			13,373	.91	14,702	1.02
25	Occupancy Expense	18,226	1.27			17,877	1.22	19,420	1.35
26	Heat, Light, Power, Water	4,132	.29			4,312	.29	4,072	.28
27	Telephone and Telegraph	4,349	.30			3,384	.23	3,828	.27
28	Office & Store Exp., and Postage	7,642	.53			4,824	.33	6,924	.48
29	Shop Supplies and Expense	5,301	.37			5,211	.36	6,886	.48
30	Car and Truck Expense	13,220	.92			10,447	.71	10,966	.76
31	Taxes - Except Payroll & Real Estate	4,527	.32			2,916	.20	4,025	.28
32	Employee Benefits	17,798	1.24			14,866	1.01	16,247	1.13
33	Dues and Subscriptions	610	.04			479	.03	600	.04
34	Insurance - Except Group & R.E.	7,943	.56			8,003	.54	7,938	.55
35	Legal and Auditing	2,385	.16			2,151	.15	2,412	.17
36	Interest & Bank Chgs - Except R.E.	10,299	.72			11,779	.80	13,288	.92
37	Depreciation — Except R.E.	6,920	.48			7,048	.48	7,423	.52
38	Bad Debts	3,126	.22			1,654	.11	2,055	.14
39	Contributions and Miscellaneous	3,622	.25			2,298	.16	2,867	.20
40	**TOTAL EXPENSES**	**216,963**	**15.11**			**182,194**	**12.39**	**211,158**	**14.67**
41	**NET PROFIT ON SALES**	**21,203**	**1.48**			**21,339**	**1.45**	**10,941**	**.76**
42	**Other Income**	**33,873**	**2.36**			**30,116**	**2.04**	**29,922**	**2.07**
43	**NET OPERATING PROFIT OR LOSS (Before Income Taxes)**	**55,076**	**3.84**			**51,455**	**3.49**	**40,863**	**2.83**

GROUP "C" OPERATING AVERAGES
DEALERS WITH SALES OVER $2,000,000

LINE NO.	ACCOUNT DESCRIPTION	AVERAGE		YOUR FIGURES		HIGH PROFIT		LOW PROFIT	
		Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
	SALES:								
1	New Equipment	1,736,647	53.93			1,818,543	51.08	1,707,870	55.13
2	Used Equipment	622,828	19.35			588,855	16.54	652,822	21.08
3	*Total New and Used*	2,359,475	73.28			2,407,398	67.62	2,360,692	76.21
4	Repair Parts	493,372	15.32			620,954	17.45	451,247	14.57
5	Service Labor	197,109	6.12			245,775	6.90	187,970	6.07
6	All Other Lines	123,495	3.84			193,706	5.44	82,345	2.66
7	Rental-Lease Income	46,350	1.44			91,920	2.59	15,095	.49
8	**TOTAL SALES**	**3,219,801**	**100.00**			**3,559,753**	**100.00**	**3,097,349**	**100.00**
	MARGINS:								
9	New Equipment	185,462	10.68			233,593	12.85	147,447	8.63
10	Used Equipment	44,499	7.14			74,937	12.73	23,949	3.67
11	*Total New and Used*	229,961	9.75			308,530	12.82	171,396	7.26
12	Repair Parts	144,933	29.38			198,143	31.91	127,085	28.16
13	Service Labor	75,618	38.36			103,655	42.17	68,878	36.64
14	All Other Lines	19,577	15.85			42,272	21.82	7,035	8.54
15	Rental-Lease Income	14,707	31.73			28,944	31.49	5,570	36.90
16	**TOTAL OPERATING MARGIN**	**484,796**	**15.06**			**681,544**	**19.15**	**379,964**	**12.27**
	EXPENSES:								
17	Salaries-Salesmen	42,691	1.32			49,824	1.39	36,746	1.18
18	Travel and Training	6,847	.21			8,120	.23	7,242	.24
19	Advertising and Promotion	15,727	.49			16,996	.48	16,086	.51
20	After Sales & Warranty Exp.	21,182	.66			18,723	.53	25,482	.83
21	**TOTAL SALES EXPENSES**	**86,447**	**2.68**			**93,663**	**2.63**	**85,556**	**2.76**
22	Salaries - Officers, Owners	55,954	1.74			59,462	1.67	51,862	1.67
23	Salaries - Partsmen	35,313	1.09			42,618	1.19	34,012	1.10
24	Salaries - Office and Others	30,904	.96			36,548	1.03	28,105	.91
25	Occupancy Expense	39,272	1.22			43,214	1.21	38,961	1.26
26	Heat, Light, Power, Water	7,499	.24			7,828	.22	7,658	.24
27	Telephone and Telegraph	7,090	.22			7,841	.22	7,097	.23
28	Office & Store Exp., and Postage	13,045	.40			14,421	.41	13,998	.45
29	Shop Supplies and Expense	11,067	.35			14,972	.42	10,508	.34
30	Car and Truck Expense	23,309	.72			28,123	.79	22,306	.72
31	Taxes - Except Payroll & Real Estate	6,298	.20			7,512	.21	7,720	.25
32	Employee Benefits	38,276	1.18			45,102	1.27	37,750	1.22
33	Dues and Subscriptions	1,077	.04			1,419	.04	954	.03
34	Insurance - Except Group & R.E.	13,249	.41			15,439	.43	12,840	.42
35	Legal and Auditing	3,614	.11			3,760	.11	4,166	.13
36	Interest & Bank Chgs - Except R.E.	22,261	.69			18,856	.53	29,370	.95
37	Depreciation — Except R.E.	15,060	.47			14,704	.41	15,780	.51
38	Bad Debts	4,565	.14			5,198	.15	3,515	.11
39	Contributions and Miscellaneous	7,373	.23			10,260	.28	5,569	.18
40	**TOTAL EXPENSES**	**421,673**	**13.09**			**470,940**	**13.22**	**417,727**	**13.48**
41	**NET PROFIT ON SALES**	**63,123**	**1.96**			**210,604**	**5.92**	**(37,763)**	**(1.21)**
42	**Other Income**	**69,768**	**2.16**			**91,792**	**2.57**	**57,003**	**1.84**
43	**NET OPERATING PROFIT OR LOSS (Before Income Taxes)**	**132,891**	**4.12**			**302,396**	**8.49**	**19,240**	**.63**

GROUP "C" REGIONAL OPERATING AVERAGES
DEALERS WITH SALES OVER $2,000,000

LINE NO.	ACCOUNT DESCRIPTION	EASTERN		YOUR FIGURES		CENTRAL		WESTERN	
		Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
	SALES:								
1	New Equipment	$1,631,936	53.68			1,709,224	55.30	$1,844,845	51.59
2	Used Equipment	420,396	13.83			663,754	21.47	636,990	17.81
3	*Total New and Used*	2,052,332	67.51			2,372,978	76.77	2,481,835	69.40
4	Repair Parts	545,613	17.95			426,081	13.79	607,479	16.99
5	Service Labor	196,053	6.45			174,612	5.65	244,325	6.83
6	All Other Lines	195,407	6.43			80,978	2.62	176,543	4.94
7	Rental-Lease Income	50,362	1.66			36,125	1.17	65,609	1.84
8	**TOTAL SALES**	**3,039,767**	**100.00**			**3,[illegible],774**	**100.00**	**3,575,791**	**100.00**
	MARGINS:								
9	New Equipment	217,824	13.35			166,999	9.77	207,942	11.27
10	Used Equipment	29,916	7.12			41,327	6.23	58,220	9.14
11	*Total New and Used*	247,740	12.07			208,326	8.78	266,162	10.72
12	Repair Parts	161,680	29.63			124,883	29.31	178,355	29.36
13	Service Labor	79,648	40.63			64,656	37.03	96,400	39.46
14	All Other Lines	33,620	17.21			13,765	17.00	24,766	14.03
15	Rental-Lease Income	16,914	33.58			11,391	31.53	20,507	31.26
16	**TOTAL OPERATING MARGIN**	**539,602**	**17.75**			**423,021**	**13.69**	**586,190**	**16.39**
	EXPENSES:								
17	Salaries-Salesmen	50,202	1.65			33,962	1.09	57,134	1.59
18	Travel and Training	7,732	.25			5,458	.18	9,296	.26
19	Advertising and Promotion	16,368	.54			14,279	.46	18,419	.52
20	After Sales & Warranty Exp.	17,841	.59			20,582	.67	24,065	.67
21	**TOTAL SALES EXPENSES**	**92,143**	**3.03**			**74,281**	**2.40**	**108,914**	**3.04**
22	Salaries - Officers, Owners	60,150	1.98			51,655	1.67	62,823	1.76
23	Salaries - Partsmen	35,500	1.16			31,153	1.01	43,855	1.22
24	Salaries - Office and Others	38,455	1.27			25,968	.84	37,454	1.05
25	Occupancy Expense	38,442	1.26			34,953	1.13	48,646	1.36
26	Heat, Light, Power, Water	8,162	.27			7,039	.23	8,129	.23
27	Telephone and Telegraph	8,553	.28			6,025	.19	8,585	.24
28	Office & Store Exp., and Postage	15,294	.51			10,987	.36	16,215	.45
29	Shop Supplies and Expense	11,375	.37			10,044	.32	13,040	.37
30	Car and Truck Expense	26,394	.87			20,535	.67	27,556	.77
31	Taxes - Except Payroll & Real Estate	7,884	.26			4,333	.14	9,599	.27
32	Employee Benefits	41,312	1.36			33,559	1.08	46,580	1.30
33	Dues and Subscriptions	1,178	.04			897	.03	1,401	.04
34	Insurance - Except Group & R.E.	13,927	.45			13,129	.43	13,166	.37
35	Legal and Auditing	3,924	.13			3,183	.10	4,357	.12
36	Interest & Bank Chgs - Except R.E.	25,610	.84			19,072	.62	27,242	.76
37	Depreciation — Except R.E.	13,463	.45			13,892	.45	18,268	.51
38	Bad Debts	6,990	.23			3,006	.09	6,614	.19
39	Contributions and Miscellaneous	7,926	.26			7,705	.25	6,414	.18
40	**TOTAL EXPENSES**	**456,682**	**15.02**			**371,416**	**12.01**	**508,858**	**14.23**
41	**NET PROFIT ON SALES**	**82,920**	**2.73**			**51,605**	**1.67**	**77,332**	**2.16**
42	**Other Income**	**66,135**	**2.17**			**70,380**	**2.27**	**70,277**	**1.96**
43	**NET OPERATING PROFIT OR LOSS (Before Income Taxes)**	**149,055**	**4.90**			**121,985**	**3.94**	**147,609**	**4.12**

BALANCE SHEET AND INVENTORY STUDIES

ALL DEALERS

BALANCE SHEET ACCOUNTS	AVERAGE ALL VOLUME GROUPS			YOUR BALANCE SHEET FIGURES		HIGH PROFIT DEALERS			LOW PROFIT DEALERS		
Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Turn Over
Cash and Securities	$ 43,391	4.84				$ 73,783	7.06		$ 19,692	2.49	
Accounts and Notes Receivable	108,156	12.07				154,481	14.79		81,407	10.34	
Inventories:											
New Equipment	375,652	41.94	2.43			392,170	37.56	2.42	350,315	44.47	2.23
Used Equipment	113,255	12.65	2.85			113,955	10.91	2.68	111,543	14.16	2.52
Repair Parts	103,669	11.57	2.05			115,359	11.05	2.18	102,234	12.98	1.69
Other Lines	20,602	2.30	2.81			26,436	2.53	3.23	17,067	2.16	1.89
Rental or Lease	13,232	1.48	1.12			26,786	2.57	1.00	5,565	.71	1.25
TOTAL INVENTORIES	**626,410**	**69.94**	**2.43**			**674,706**	**64.62**	**2.40**	**586,724**	**74.48**	**2.17**
TOTAL CURRENT ASSETS	**777,957**	**86.85**				**902,970**	**86.47**		**687,823**	**87.31**	
Fixed Assets	92,247	10.30				110,561	10.59		81,674	10.37	
Rental Fleet	481	.05				0	.00		(330)	(.03)	
Finance Reserve and Other Assets	25,009	2.80				30,691	2.94		18,576	2.35	
TOTAL ASSETS	**895,694**	**100.00**				**1,044,222**	**100.00**		**787,743**	**100.00**	
Liabilities and Net Worth											
Current Accts. Payable & Accruals	162,600					199,295			127,965		
Floor Plan Notes Payable	281,428					241,491			303,149		
Notes Payable — Bank and Other	93,363					87,598			105,431		
Mortgages and Other Long Term	84,359					80,222			89,403		
TOTAL LIABILITIES	**621,750**					**608,606**			**625,948**		
Net Worth	273,944	30.58				435,616	41.72		161,795	20.54	
TOTAL LIABILITIES AND NET WORTH	**895,694**					**1,044,222**			**787,743**		

ALL DEALERS — REGIONAL

BALANCE SHEET ACCOUNTS	EASTERN REGION			YOUR BALANCE SHEET FIGURES		CENTRAL REGION			WESTERN REGION		
Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Turn Over
Cash and Securities	47,584	5.65				39,740	4.64		49,040	4.77	
Accounts and Notes Receivable	123,944	14.72				86,824	10.14		147,379	14.33	
Inventories:											
New Equipment	340,420	40.44	2.24			378,767	44.24	2.42	393,432	38.28	2.55
Used Equipment	95,847	11.38	2.18			115,223	13.46	3.00	121,024	11.77	2.90
Repair Parts	95,305	11.32	2.27			98,550	11.52	1.92	121,757	11.85	2.18
Other Lines	25,631	3.05	3.13			17,115	2.00	2.44	25,263	2.45	3.18
Rental or Lease	13,883	1.65	1.04			7,681	.89	1.49	25,906	2.52	.89
TOTAL INVENTORIES	571,086	67.84	2.25			617,336	72.11	2.44	687,382	66.87	2.50
TOTAL CURRENT ASSETS	742,614	88.21				743,900	86.89		883,801	85.97	
Fixed Assets	73,995	8.79				90,390	10.56		109,671	10.67	
Rental Fleet	100	.01				(142)	(.01)		2,230	.22	
Finance Reserve and Other Assets	25,146	2.99				21,916	2.56		32,233	3.14	
TOTAL ASSETS	841,855	100.00				856,064	100.00		1,027,935	100.00	
Liabilities and Net Worth											
Current Accts. Payable & Accruals	162,869					162,514			162,612		
Floor Plan Notes Payable	259,548					263,956			338,405		
Notes Payable — Bank and Other	64,889					101,290			94,928		
Mortgages and Other Long Term	77,733					74,606			112,176		
TOTAL LIABILITIES	565,039					602,366			708,121		
Net Worth	276,816	32.88				253,698	29.64		319,814	31.11	
TOTAL LIABILITIES AND NET WORTH	841,855					856,064			1,027,935		

BALANCE SHEET AND INVENTORY STUDIES

GROUP "A" — DEALERS WITH SALES TO $1,000,000

BALANCE SHEET ACCOUNTS	THIS VOLUME GROUP			YOUR BALANCE SHEET FIGURES		HIGH PROFIT DEALERS			LOW PROFIT DEALERS		
Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Turn Over
Cash and Securities	19,386	4.41				32,709	7.19		8,564	1.89	
Accounts and Notes Receivable	39,762	9.06				48,866	10.75		42,900	9.50	
Inventories:											
New Equipment	201,303	45.88	1.57			173,821	38.25	1.77	208,318	46.13	1.37
Used Equipment	50,402	11.48	1.82			56,642	12.47	1.49	54,224	12.01	1.60
Repair Parts	61,452	14.00	1.48			60,772	13.37	1.54	60,815	13.47	1.25
Other Lines	10,424	2.38	1.72			12,281	2.70	1.47	11,525	2.55	1.10
Rental or Lease	1,706	.39	.90			2,616	.58	.92	451	.10	4.20
TOTAL INVENTORIES	325,287	74.13	1.59			306,132	67.37	1.55	335,333	74.26	1.38
TOTAL CURRENT ASSETS	384,435	87.60				387,707	85.31		386,797	85.65	
Fixed Assets	46,381	10.57				58,245	12.81		56,179	12.44	
Rental Fleet	0	.00				0	.00		0	.00	
Finance Reserve and Other Assets	8,023	1.83				8,511	1.88		8,608	1.91	
TOTAL ASSETS	438,839	100.00				454,463	100.00		451,584	100.00	
Liabilities and Net Worth											
Current Accts. Payable & Accruals	67,786					88,040			72,232		
Floor Plan Notes Payable	133,650					83,787			158,246		
Notes Payable — Bank and Other	65,856					63,464			73,758		
Mortgages and Other Long Term	47,324					43,333			52,642		
TOTAL LIABILITIES	314,616					278,624			356,878		
Net Worth	124,223	28.31				175,839	38.69		94,706	20.97	
TOTAL LIABILITIES AND NET WORTH	438,839					454,463			451,584		

GROUP "A" — REGIONAL

BALANCE SHEET ACCOUNTS	EASTERN REGION			YOUR BALANCE SHEET FIGURES		CENTRAL REGION			WESTERN REGION		
Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Turn Over
Cash and Securities	24,871	5.47				16,337	3.70		22,236	5.34	
Accounts and Notes Receivable	57,598	12.69				35,097	7.96		33,346	8.03	
Inventories:											
New Equipment	194,246	42.79	1.71			213,198	48.37	1.45	173,822	41.81	1.82
Used Equipment	43,749	9.64	1.86			54,721	12.41	1.68	45,090	10.84	2.25
Repair Parts	62,927	13.86	1.68			60,824	13.80	1.36	61,647	14.83	1.61
Other Lines	12,361	2.72	2.05			11,462	2.60	1.56	5,114	1.23	1.83
Rental or Lease	2,001	.44	1.32			1,566	.36	.52	1,788	.43	1.33
TOTAL INVENTORIES	315,284	69.45	1.73			341,771	77.54	1.47	287,461	69.14	1.84
TOTAL CURRENT ASSETS	397,753	87.61				393,205	89.20		343,043	82.51	
Fixed Assets	46,506	10.25				42,415	9.62		58,083	13.98	
Rental Fleet	0	.00				0	.00		0	.00	
Finance Reserve and Other Assets	9,698	2.14				5,184	1.18		14,591	3.51	
TOTAL ASSETS	453,957	100.00				440,804	100.00		415,717	100.00	
Liabilities and Net Worth											
Current Accts. Payable & Accruals	89,175					60,778			64,314		
Floor Plan Notes Payable	113,735					150,405			106,322		
Notes Payable — Bank and Other	52,006					74,124			56,963		
Mortgages and Other Long Term	59,297					38,079			61,278		
TOTAL LIABILITIES	314,213					323,386			288,877		
Net Worth	139,744	30.78				117,418	26.64		126,840	30.51	
TOTAL LIABILITIES AND NET WORTH	453,957					440,804			415,717		

BALANCE SHEET AND INVENTORY STUDIES

GROUP "B" — DEALERS WITH SALES $1,000,000 TO $2,000,000

BALANCE SHEET ACCOUNTS	THIS VOLUME GROUP			YOUR BALANCE SHEET FIGURES		HIGH PROFIT DEALERS			LOW PROFIT DEALERS		
Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Turn Over
Cash and Securities	$ 34,459	4.83				$ 53,512	7.22		$ 18,753	2.57	
Accounts and Notes Receivable	78,650	11.05				92,894	12.53		73,798	10.12	
Inventories:											
New Equipment	308,597	43.34	2.34			304,742	41.12	2.31	320,170	43.91	2.33
Used Equipment	92,767	13.03	2.62			84,662	11.42	2.66	109,117	14.97	2.39
Repair Parts	87,127	12.24	1.94			84,843	11.45	2.01	101,379	13.91	1.59
Other Lines	16,042	2.25	2.64			18,874	2.55	3.08	14,264	1.95	2.04
Rental or Lease	6,263	.88	1.28			6,788	.91	.83	3,533	.49	2.59
TOTAL INVENTORIES	**510,796**	**71.74**	**2.32**			**499,909**	**67.45**	**2.33**	**548,463**	**75.23**	**2.20**
TOTAL CURRENT ASSETS	**623,905**	**87.62**				**646,315**	**87.20**		**641,014**	**87.92**	
Fixed Assets	69,863	9.81				73,650	9.94		70,035	9.60	
Rental Fleet	108	.02				0	.00		234	.04	
Finance Reserve and Other Assets	18,143	2.55				21,159	2.86		17,778	2.44	
TOTAL ASSETS	**712,019**	**100.00**				**741,124**	**100.00**		**729,061**	**100.00**	
Liabilities and Net Worth											
Current Accts. Payable & Accruals	118,599					139,131			105,927		
Floor Plan Notes Payable	239,490					190,026			283,079		
Notes Payable — Bank and Other	80,175					55,223			119,203		
Mortgages and Other Long Term	69,289					69,021			80,606		
TOTAL LIABILITIES	**507,553**					**453,401**			**588,815**		
Net Worth	204,466	28.72				287,723	38.82		140,246	19.24	
TOTAL LIABILITIES AND NET WORTH	**712,019**					**741,124**			**729,061**		

GROUP "B" — REGIONAL

BALANCE SHEET ACCOUNTS	EASTERN REGION			YOUR BALANCE SHEET FIGURES		CENTRAL REGION			WESTERN REGION		
Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Turn Over
Cash and Securities	41,115	5.88				29,843	4.09		40,446	5.92	
Accounts and Notes Receivable	107,076	15.32				71,511	9.81		75,088	11.00	
Inventories:											
New Equipment	288,899	41.33	2.32			327,546	44.95	2.30	278,624	40.83	2.47
Used Equipment	71,316	10.20	2.68			100,099	13.73	2.59	90,950	13.33	2.66
Repair Parts	79,218	11.34	2.44			87,349	11.99	1.82	92,206	13.51	1.91
Other Lines	22,721	3.25	3.08			14,657	2.01	2.35	14,526	2.12	2.81
Rental or Lease	11,421	1.63	.97			4,131	.57	1.47	7,554	1.11	1.38
TOTAL INVENTORIES	**473,575**	**67.75**	**2.40**			**533,782**	**73.25**	**2.27**	**483,860**	**70.90**	**2.39**
TOTAL CURRENT ASSETS	**621,766**	**88.95**				**635,136**	**87.15**		**599,394**	**87.82**	
Fixed Assets	59,311	8.49				77,492	10.63		59,647	8.74	
Rental Fleet	284	.04				101	.02		0	.00	
Finance Reserve and Other Assets	17,606	2.52				16,022	2.20		23,436	3.44	
TOTAL ASSETS	**698,967**	**100.00**				**728,751**	**100.00**		**682,477**	**100.00**	
Liabilities and Net Worth											
Current Accts. Payable & Accruals	137,489					123,164			94,660		
Floor Plan Notes Payable	214,824					240,599			254,368		
Notes Payable — Bank and Other	53,854					92,328			70,631		
Mortgages and Other Long Term	61,664					68,811			75,791		
TOTAL LIABILITIES	**467,831**					**524,902**			**495,450**		
Net Worth	231,136	33.07				203,849	27.97		187,027	27.40	
TOTAL LIABILITIES AND NET WORTH	**698,967**					**728,751**			**682,477**		

BALANCE SHEET AND INVENTORY STUDIES

GROUP "C" — DEALERS WITH SALES OVER $2,000,000

BALANCE SHEET ACCOUNTS	THIS VOLUME GROUP			YOUR BALANCE SHEET FIGURES		HIGH PROFIT DEALERS			LOW PROFIT DEALERS		
Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Turn Over
Cash and Securities	70,516	4.94				119,899	6.99		36,952	2.64	
Accounts and Notes Receivable	189,322	13.29				277,813	16.20		158,411	11.36	
Inventories:											
New Equipment	574,748	40.33	2.70			615,592	35.91	2.57	619,122	44.37	2.52
Used Equipment	181,501	12.74	3.19			179,482	10.46	2.86	194,466	13.94	3.23
Repair Parts	152,169	10.68	2.29			179,012	10.45	2.36	157,115	11.26	2.06
Other Lines	32,842	2.30	3.16			42,668	2.48	3.55	30,241	2.17	2.49
Rental or Lease	28,821	2.02	1.10			60,116	3.51	1.05	14,165	1.02	.67
TOTAL INVENTORIES	**970,081**	**68.07**	**2.69**			**1,076,870**	**62.81**	**2.54**	**1,015,109**	**72.76**	**2.56**
TOTAL CURRENT ASSETS	**1,229,919**	**86.30**				**1,474,582**	**86.00**		**1,210,472**	**86.76**	
Fixed Assets	149,165	10.47				183,332	10.69		147,457	10.57	
Rental Fleet	1,211	.09				0	.00		(1,138)	(.08)	
Finance Reserve and Other Assets	44,726	3.14				56,601	3.31		38,388	2.75	
TOTAL ASSETS	**1,425,021**	**100.00**				**1,714,515**	**100.00**		**1,395,179**	**100.00**	
Liabilities and Net Worth											
Current Accts. Payable & Accruals	278,086					325,933			256,230		
Floor Plan Notes Payable	435,916					394,617			532,053		
Notes Payable — Bank and Other	127,273					122,218			150,471		
Mortgages and Other Long Term	127,441					121,618			158,837		
TOTAL LIABILITIES	**968,716**					**964,386**			**1,097,591**		
Net Worth	456,305	32.02				750,129	43.75		297,588	21.33	
TOTAL LIABILITIES AND NET WORTH	**1,425,021**					**1,714,515**			**1,395,179**		

GROUP "C" — REGIONAL

BALANCE SHEET ACCOUNTS	EASTERN REGION			YOUR BALANCE SHEET FIGURES		CENTRAL REGION			WESTERN REGION		
Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Amount	% Total Assets	Turn Over	Amount	% Total Assets	Turn Over
Cash and Securities	83,981	5.58				67,228	5.17		70,749	4.28	
Accounts and Notes Receivable	227,780	15.16				141,365	10.89		270,044	16.37	
Inventories:											
New Equipment	586,783	39.03	2.41			555,429	42.79	2.78	608,956	36.89	2.69
Used Equipment	191,211	12.72	2.04			176,377	13.59	3.53	187,382	11.36	3.09
Repair Parts	155,603	10.35	2.47			138,358	10.66	2.18	179,160	10.86	2.40
Other Lines	45,833	3.05	3.53			23,820	1.84	2.82	45,210	2.73	3.36
Rental or Lease	31,794	2.12	1.05			15,775	1.21	1.57	54,447	3.30	.83
TOTAL INVENTORIES	**1,011,224**	**67.27**	**2.36**			**909,759**	**70.09**	**2.81**	**1,075,155**	**65.14**	**2.64**
TOTAL CURRENT ASSETS	**1,322,985**	**88.01**				**1,118,352**	**86.15**		**1,415,948**	**85.79**	
Fixed Assets	126,447	8.41				139,739	10.77		179,857	10.90	
Rental Fleet	0	.00				(483)	(.03)		5,321	.32	
Finance Reserve and Other Assets	53,750	3.58				40,449	3.11		49,187	2.99	
TOTAL ASSETS	**1,503,182**	**100.00**				**1,298,057**	**100.00**		**1,650,313**	**100.00**	
Liabilities and Net Worth											
Current Accts. Payable & Accruals	286,346					278,524			273,131		
Floor Plan Notes Payable	497,131					373,969			534,537		
Notes Payable — Bank and Other	94,559					130,804			135,962		
Mortgages and Other Long Term	120,531					108,367			170,419		
TOTAL LIABILITIES	**998,567**					**891,664**			**1,114,049**		
Net Worth	504,615	33.57				406,393	31.31		536,264	32.49	
TOTAL LIABILITIES AND NET WORTH	**1,503,182**					**1,298,057**			**1,650,313**		

OPERATING AND FINANCIAL RATIOS

ALL DEALERS

DESCRIPTIONS	AVERAGE ALL VOLUME GROUPS	YOUR RATIOS	HIGH PROFIT DEALERS	LOW PROFIT DEALERS
Current Ratio	1.45 TO 1		1.71 TO 1	1.28 TO 1
Ownership Equity	30.58 %		41.72 %	20.54 %
Receivables Turnover	17.31 TIMES		13.54 TIMES	18.71 TIMES
Net Working Capital Turnover	7.78 TIMES		5.58 TIMES	10.07 TIMES
Inventory to Net Working Capital	2.60 TO 1		1.80 TO 1	3.88 TO 1
Turnover of Total Assets	2.09 TIMES		2.00 TIMES	1.93 TIMES
Return on Total Assets	7.93 %		16.61 %	- .82 %
Return on Net Worth	25.93 %		39.82 %	- 4.01 %

ALL DEALERS — REGIONAL

	EASTERN REGION		CENTRAL REGION	WESTERN REGION
Current Ratio	1.52 TO 1		1.41 TO 1	1.48 TO 1
Ownership Equity	32.88 %		29.64 %	31.11 %
Receivables Turnover	13.12 TIMES		21.01 TIMES	14.65 TIMES
Net Working Capital Turnover	6.37 TIMES		8.44 TIMES	7.50 TIMES
Inventory to Net Working Capital	2.24 TO 1		2.86 TO 1	2.39 TO 1
Turnover of Total Assets	1.93 TIMES		2.13 TIMES	2.10 TIMES
Return on Total Assets	8.24 %		7.92 %	7.76 %
Return on Net Worth	25.05 %		26.74 %	24.95 %

GROUP "A" — DEALERS WITH SALES TO $1,000,000

DESCRIPTIONS	THIS VOLUME GROUP	YOUR RATIOS	HIGH PROFIT DEALERS	LOW PROFIT DEALERS
Current Ratio	1.44 TO 1		1.65 TO 1	1.27 TO 1
Ownership Equity	28.31 %		38.69 %	20.97 %
Receivables Turnover	16.18 TIMES		13.29 TIMES	13.07 TIMES
Net Working Capital Turnover	5.49 TIMES		4.26 TIMES	6.79 TIMES
Inventory to Net Working Capital	2.78 TO 1		2.01 TO 1	4.06 TO 1
Turnover of Total Assets	1.47 TIMES		1.43 TIMES	1.24 TIMES
Return on Total Assets	4.05 %		12.11 %	- 4.43 %
Return on Net Worth	14.30 %		31.29 %	- 21.16 %

GROUP "A" — REGIONAL

	EASTERN REGION		CENTRAL REGION	WESTERN REGION
Current Ratio	1.56 TO 1		1.38 TO 1	1.51 TO 1
Ownership Equity	30.78 %		26.64 %	30.51 %
Receivables Turnover	11.89 TIMES		17.72 TIMES	19.80 TIMES
Net Working Capital Turnover	4.80 TIMES		5.76 TIMES	5.72 TIMES
Inventory to Net Working Capital	2.21 TO 1		3.17 TO 1	2.49 TO 1
Turnover of Total Assets	1.51 TIMES		1.41 TIMES	1.59 TIMES
Return on Total Assets	4.33 %		4.07 %	3.63 %
Return on Net Worth	14.08 %		15.27 %	11.91 %

OPERATING AND FINANCIAL RATIOS

GROUP "B" — DEALERS WITH SALES $1,000,000 TO $2,000,000

DESCRIPTIONS	THIS VOLUME GROUP	YOUR RATIOS	HIGH PROFIT DEALERS	LOW PROFIT DEALERS
Current Ratio	1.42 TO 1		1.68 TO 1	1.26 TO 1
Ownership Equity	28.72 %		38.82 %	19.24 %
Receivables Turnover	18.51 TIMES		15.97 TIMES	19.52 TIMES
Net Working Capital Turnover	7.84 TIMES		5.66 TIMES	10.84 TIMES
Inventory to Net Working Capital	2.75 TO 1		1.91 TO 1	4.13 TO 1
Turnover of Total Assets	2.05 TIMES		2.00 TIMES	1.98 TIMES
Return on Total Assets	6.95 %		16.20 %	- 1.31 %
Return on Net Worth	24.19 %		41.74 %	- 6.82 %

GROUP "B" — REGIONAL

	EASTERN REGION		CENTRAL REGION	WESTERN REGION
Current Ratio	1.53 TO 1		1.39 TO 1	1.43 TO 1
Ownership Equity	33.07 %		27.97 %	27.40 %
Receivables Turnover	13.40 TIMES		20.56 TIMES	19.16 TIMES
Net Working Capital Turnover	6.66 TIMES		8.21 TIMES	8.01 TIMES
Inventory to Net Working Capital	2.20 TO 1		2.98 TO 1	2.69 TO 1
Turnover of Total Assets	2.05 TIMES		2.02 TIMES	2.11 TIMES
Return on Total Assets	7.88 %		7.06 %	5.99 %
Return on Net Worth	23.83 %		25.24 %	21.85 %

GROUP "C" — DEALERS WITH SALES OVER $2,000,000

DESCRIPTIONS	THIS VOLUME GROUP	YOUR RATIOS	HIGH PROFIT DEALERS	LOW PROFIT DEALERS
Current Ratio	1.46 TO 1		1.75 TO 1	1.29 TO 1
Ownership Equity	32.02 %		43.75 %	21.33 %
Receivables Turnover	17.01 TIMES		12.81 TIMES	19.55 TIMES
Net Working Capital Turnover	8.28 TIMES		5.63 TIMES	11.40 TIMES
Inventory to Net Working Capital	2.50 TO 1		1.70 TO 1	3.74 TO 1
Turnover of Total Assets	2.26 TIMES		2.08 TIMES	2.22 TIMES
Return on Total Assets	9.33 %		17.64 %	1.38 %
Return on Net Worth	29.12 %		40.31 %	6.47 %

GROUP "C" — REGIONAL

	EASTERN REGION		CENTRAL REGION	WESTERN REGION
Current Ratio	1.51 TO 1		1.43 TO 1	1.50 TO 1
Ownership Equity	33.57 %		31.31 %	32.49 %
Receivables Turnover	13.35 TIMES		21.86 TIMES	13.24 TIMES
Net Working Capital Turnover	6.83 TIMES		9.22 TIMES	7.57 TIMES
Inventory to Net Working Capital	2.27 TO 1		2.72 TO 1	2.28 TO 1
Turnover of Total Assets	2.02 TIMES		2.38 TIMES	2.17 TIMES
Return on Total Assets	9.92 %		9.40 %	8.94 %
Return on Net Worth	29.54 %		30.02 %	27.53 %

PERSONNEL STUDIES

ALL DEALERS

DESCRIPTIONS	ALL VOLUME GROUPS	YOUR RATIOS	EASTERN REGION	CENTRAL REGION	WESTERN REGION
Number of Employees per Dealer (incl. owners)	13.47		15.18	12.52	13.67
Total Sales per Employee	$138,952		$142,220	$145,718	$118,959
Total Assets per Employee	$ 66,495		$ 67,716	$ 68,376	$ 61,584
Number of Salesmen (including Owners)	2.91		3.29	2.66	3.04
New and Used Sales per Salesman	$471,055		$460,141	$523,279	$361,903
Number of Partsmen	2.03		2.35	1.87	1.99
Parts Sales per Partsman	$147,858		$160,365	$142,365	$153,367
Number of Servicemen	6.23		6.93	5.88	6.22
Service Sales per Serviceman	$ 17,626		$ 20,406	$ 16,688	$ 16,138
Number of Office Employees	1.63		1.89	1.47	1.67
Number of Other Employees	.68		.72	.64	.73

GROUP "A" — DEALERS WITH SALES TO $1,000,000

DESCRIPTIONS	THIS VOLUME GROUP	YOUR RATIOS	EASTERN REGION	CENTRAL REGION	WESTERN REGION
Number of Employees per Dealer (incl. owners)	6.85		6.72	6.54	7.53
Total Sales per Employee	$ 93,928		$ 98,229	$ 95,094	$ 90,976
Total Assets per Employee	$ 64,064		$ 61,863	$ 67,401	$ 60,286
Number of Salesmen (including Owners)	1.81		1.87	1.70	1.98
New and Used Sales per Salesman	$251,796		$246,382	$265,055	$234,791
Number of Partsmen	1.05		1.06	.99	1.13
Parts Sales per Partsman	$121,210		$133,991	$115,563	$130,983
Number of Servicemen	2.86		2.64	2.80	3.13
Service Sales per Serviceman	$ 12,623		$ 15,570	$ 11,901	$ 12,457
Number of Office Employees	.94		1.06	.86	.98
Number of Other Employees	.19		.09	.18	.30

GROUP "B" — DEALERS WITH SALES $1,000,000 TO $2,000,000

DESCRIPTIONS	THIS VOLUME GROUP	YOUR RATIOS	EASTERN REGION	CENTRAL REGION	WESTERN REGION
Number of Employees per Dealer (incl. owners)	11.12		10.63	10.51	13.27
Total Sales per Employee	$130,953		$135,374	$139,866	$108,161
Total Assets per Employee	$ 64,030		$ 64,203	$ 69,339	$ 52,673
Number of Salesmen (including Owners)	2.51		2.47	2.35	2.97
New and Used Sales per Salesman	$429,294		$421,294	$478,877	$327,624
Number of Partsmen	1.64		1.63	1.54	1.90
Parts Sales per Partsman	$145,150		$155,768	$143,836	$142,003
Number of Servicemen	5.03		4.71	4.85	5.87
Service Sales per Serviceman	$ 15,546		$ 17,772	$ 15,198	$ 14,496
Number of Office Employees	1.41		1.31	1.35	1.69
Number of Other Employees	.53		.51	.42	.84

GROUP "C" — DEALERS WITH SALES OVER $2,000,000

DESCRIPTIONS	THIS VOLUME GROUP	YOUR RATIOS	EASTERN REGION	CENTRAL REGION	WESTERN REGION
Number of Employees per Dealer (incl. owners)	19.47		21.96	17.54	21.43
Total Sales per Employee	$165,373		$162,832	$176,213	$141,846
Total Assets per Employee	$ 73,191		$ 75,151	$ 74,005	$ 70,144
Number of Salesmen (including Owners)	3.90		4.46	3.45	4.39
New and Used Sales per Salesman	$604,994		$556,465	$687,820	$467,502
Number of Partsmen	2.95		3.40	2.64	3.14
Parts Sales per Partsman	$167,245		$178,670	$161,394	$173,762
Number of Servicemen	9.30		10.30	8.46	10.33
Service Sales per Serviceman	$ 21,195		$ 23,721	$ 20,640	$ 18,979
Number of Office Employees	2.22		2.66	1.90	2.47
Number of Other Employees	1.10		1.13	1.08	1.10

INDUSTRIAL COST OF DOING BUSINESS STUDY
ALL DEALERS OPERATING AVERAGES

LINE NO.		AVERAGE		YOUR FIGURES		HIGH PROFIT DEALERS		LOW PROFIT DEALERS	
		Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
	SALES:								
1	New Equipment	$ 1,256,289	52.32			$1,389,383	49.53	$1,068,257	52.31
2	Used Equipment	323,868	13.49			382,710	13.64	319,444	15.64
3	*Total New and Used*	1,580,157	65.81			1,772,093	63.17	1,387,701	67.95
4	Repair Parts	404,989	16.87			461,056	16.43	326,359	15.98
5	Service Labor	171,637	7.15			209,453	7.47	134,496	6.59
6	All Other Lines	109,546	4.56			225,566	8.04	70,964	3.47
7	Rental-Lease Income	134,475	5.61			136,957	4.89	122,627	6.01
8	**TOTAL SALES**	**2,400,804**	**100.00**			**2,805,125**	**100.00**	**2,042,147**	**100.00**
	MARGINS								
9	New Equipment	172,153	13.70			221,987	15.98	91,933	8.61
10	Used Equipment	42,575	13.15			89,955	23.50	20,293	6.35
11	*Total New and Used*	214,728	13.59			311,942	17.60	112,226	8.09
12	Repair Parts	124,676	30.79			156,678	33.98	93,206	28.56
13	Service Labor	65,149	37.96			79,420	37.92	48,390	35.98
14	All Other Lines	25,710	23.47			62,358	27.65	13,741	19.36
15	Rental-Lease Income	41,547	30.90			45,218	33.02	43,798	35.72
16	**TOTAL OPERATING MARGIN**	**471,810**	**19.65**			**655,616**	**23.37**	**311,361**	**15.25**
	EXPENSES:								
17	Salaries-Salesmen	48,171	2.00			59,635	2.12	37,650	1.84
18	Travel and Training	7,697	.32			11,607	.41	5,885	.29
19	Advertising and Promotion	14,022	.59			16,467	.59	12,474	.61
20	After Sales & Warranty Exp.	15,143	.63			18,560	.66	13,350	.65
21	**TOTAL SALES EXPENSES**	**85,033**	**3.54**			**106,269**	**3.78**	**69,359**	**3.39**
22	Salaries - Officers, Owners	47,221	1.96			49,495	1.77	34,156	1.67
23	Salaries - Partsmen	29,479	1.23			33,552	1.19	20,621	1.01
24	Salaries - Office and Others	31,378	1.31			44,834	1.60	22,236	1.09
25	Occupancy Expense	33,692	1.40			31,866	1.14	34,346	1.68
26	Heat, Light, Power, Water	5,996	.25			6,008	.21	5,575	.28
27	Telephone and Telegraph	7,882	.33			8,343	.30	8,109	.39
28	Office & Store Exp., and Postage	11,276	.47			10,631	.38	9,626	.48
29	Shop Supplies and Expense	11,741	.49			13,050	.46	9,067	.44
30	Car and Truck Expense	23,941	1.00			26,371	.94	22,141	1.08
31	Taxes - Except Payroll & Real Estate	8,268	.34			9,164	.33	4,683	.23
32	Employee Benefits	35,919	1.50			50,175	1.79	25,737	1.26
33	Dues and Subscriptions	1,260	.05			1,452	.05	1,008	.05
34	Insurance - Except Group & R.E.	12,235	.51			14,004	.50	11,097	.55
35	Legal and Auditing	4,051	.17			4,713	.17	3,289	.16
36	Interest & Bank Chgs - Except R.E.	24,879	1.03			27,555	.98	28,564	1.40
37	Depreciation	11,829	.50			12,776	.46	7,782	.38
38	Bad Debts	4,825	.20			5,355	.19	5,067	.25
39	Contributions and Miscellaneous	8,417	.35			8,583	.30	11,569	.56
40	**TOTAL EXPENSES**	**399,322**	**16.63**			**464,196**	**16.54**	**334,032**	**16.35**
41	**NET PROFIT ON SALES**	**72,488**	**3.02**			**191,420**	**6.82**	**(22,671)**	**(1.11)**
42	**Other Income**	**51,815**	**2.15**			**71,267**	**2.54**	**42,201**	**2.06**
43	**NET OPERATING PROFIT OR LOSS (Before Income Taxes)**	**124,303**	**5.17**			**262,687**	**9.36**	**19,530**	**.95**

OPERATING AND FINANCIAL RATIOS — INDUSTRIAL
ALL DEALERS

	All Dealers	High Profit Dealers	Low Profit Dealers	Your Figures
Current Ratio	1.43 TO 1	1.77 TO 1	1.25 TO 1	
Ownership Equity	27.49 %	37.56 %	15.13 %	
Receivables Turnover	15.77 TIMES	13.98 TIMES	16.61 TIMES	
Net Working Capital Turnover	8.16 TIMES	5.81 TIMES	11.55 TIMES	
Inventory to Net Working Capital	2.61 TO 1	1.68 TO 1	4.15 TO 1	
Turnover of Total Assets	2.18 TIMES	2.23 TIMES	2.09 TIMES	
Return on Total Assets	11.29 %	20.92 %	1.99 %	
Return on Net Worth	41.06 %	55.71 %	13.18 %	

BALANCE SHEET AND INVENTORY STUDIES — INDUSTRIAL
ALL DEALERS

BALANCE SHEET ACCOUNTS	AVERAGE ALL VOLUME GROUPS					HIGH PROFIT DEALERS			LOW PROFIT DEALERS		
Assets	**Amount**	**% Total Assets**	**Turn Over**	**Amount**	**% Total Assets**	**Amount**	**% Total Assets**	**Turn Over**	**Amount**	**% Total Assets**	**Turn Over**
Cash and Securities	$ 60,827	5.52				$ 100,743	8.02		$ 29,666	3.02	
Accounts and Notes Receivable	152,276	13.83				200,631	15.98		122,958	12.56	
Inventories:											
New Equipment	446,890	40.58	2.43			445,001	35.44	2.62	443,473	45.30	2.20
Used Equipment	106,358	9.65	2.64			106,170	8.46	2.76	116,075	11.85	2.58
Repair Parts	102,617	9.32	2.73			94,613	7.54	3.22	87,146	8.90	2.68
Other Lines	26,277	2.39	3.19			39,156	3.11	4.17	9,482	.97	6.03
Rental or Lease	86,341	7.84	1.08			127,482	10.16	.72	77,586	7.92	1.02
TOTAL INVENTORIES	**768,483**	**69.78**	**2.37**			**812,422**	**64.71**	**2.49**	**733,762**	**74.94**	**2.24**
TOTAL CURRENT ASSETS	**981,586**	**89.13**				**1,113,796**	**88.71**		**886,386**	**90.52**	
Fixed Assets	86,196	7.83				96,035	7.65		70,263	7.18	
Rental Fleet	0	.00				0	.00		0	.00	
Finance Reserve and Other Assets	33,478	3.04				45,661	3.64		22,466	2.30	
TOTAL ASSETS	**1,101,260**	**100.00**				**1,255,492**	**100.00**		**979,115**	**100.00**	
Liabilities and Net Worth											
Current Accts. Payable & Accruals	148,417					177,318			118,179		
Floor Plan Notes Payable	472,904					396,073			501,361		
Notes Payable — Bank and Other	65,967					57,463			89,983		
Mortgages and Other Long Term	111,225					153,096			121,421		
TOTAL LIABILITIES	**798,513**					**783,950**			**830,944**		
Net Worth	302,747	27.49				471,542	37.56		148,171	15.13	
TOTAL LIABILITIES AND NET WORTH	**1,101,260**					**1,255,492**			**979,115**		

All averages herein are adjusted to nearest dollar, and percentages are adjusted to nearest 1/100th of a percent.

PERSONNEL STUDY — INDUSTRIAL
ALL DEALERS

Number of Employees per Dealer (including Owners & Managers)	16.53
Total Sales per Employee	$145,239
Total Assets per Employee	$ 66,622
Number of Salesmen (including Owners & Managers)	3.78
New and Used Sales per Salesman	$418,031
Number of Partsmen	2.28
Parts Sales per Partsman	$177,627
Number of Servicemen	7.53
Service Sales per Serviceman	$ 22,794
Number of Office Employees	1.98
Number of Other Employees	.95

In addition to the Cost of Doing Business Study, here are other important

ASSOCIATION SERVICES FOR DEALERS

OFFICIAL GUIDES

Official Guide for Tractors & Farm Equipment lists all current models and recently discontinued models of farm tractors, combines and other harvesting machines.

Official Industrial Equipment Guide lists industrial and forestry models of tractors, as well as tractor/loaders, tractor/loader/backhoes, forklifts, etc.

These two guides for dealers and salesmen contain necessary information for successful merchandising of farm and industrial equipment, and for profitable handling of trade-ins. Semi-annual guides contain average market data based on actual sales reports received from dealers; F.O.B. factory prices of both current and discontinued models; loan values; serial numbers by year of manufacture; Nebraska tractor test data; listing of standard and optional equipment; and other valuable data.

EQUIPMENT RENTAL GUIDE

The dealer's pocket guide to dependable short-term rental rates for:

Wheel tractors	Skidders
Wheel loaders	Crawler/loaders
Wheel loader/backhoes	Crawler/dozers
Skid-steer loaders	Forklifts

... plus miscellaneous agricultural and industrial tools and implements.

GROUP INSURANCE

Great insurance plans for NFPEDA dealers: Your association-sponsored group insurance program is nationwide and includes Life Insurance, Disability Income, Medical Insurance, Major Medical and Dental coverage. It's designed for dealers . . . and there is a plan to fit your needs. This group plan is underwritten by John Hancock and administered at your National Association office.

LEGISLATIVE REPRESENTATION

Your voice is multiplied 10,000 times in Federal legislative matters when all dealers join together on common issues affecting the farm and power equipment industry. State and local regulations receive similar attention through the dealer association serving your area. Safeguarding the interests of dealers in Washington is NFPEDA's full-time office in the nation's capital.

FARM & POWER EQUIPMENT MAGAZINE

The industry's merchandising and management publication which comes to all dealer-members each and every month. A "how to do it" magazine which keeps you abreast of latest developments in the industry and shows how successful dealers are competing.

MEETINGS AND CONVENTIONS

Dealer-members improve their management abilities and learn to know their fellow dealers by attending state and national association group meetings, conferences and conventions. These meetings are designed to help you keep abreast of industry changes and enable you to meet the challenge of this changing market.

PARTS INVENTORY CONTROL SYSTEM

More and more dealers are adopting NFPEDA's easy-to-use computerized pad system to replace their "blind" card files — saving up to 70% of the time used in running the card system, and reaping many other benefits. NFPEDA's computer system features automatic order based on YOUR sales history and seasonal needs. Other special features include three years of your sales history on each part number and multiple store cross referencing. It pays special attention to non-stock and other unusual activity and enables you to keep your finger on all parts activity for best service to customers with the lowest possible investment in inventory. Input to NFPEDA's parts system is either by mail or by electronic terminal communications.

COMPUTER ACCOUNTING SYSTEM

Fast, accurate computerized record keeping services provide important financial information every dealer needs. Complete service includes preparation of monthly financial statements, general ledger, customer statements, weekly journal listings, receivables age analysis, plus periodic cost of doing business reports. Input to NFPEDA's computer accounting system is either by mail or by electronic terminal communications.

ACCOUNTING FORMS AND SUPPLIES

NFPEDA accounting systems are designed to meet the dealer's specific requirements — departmentalized for maximum control of margins, expenses and profits. Business forms for day-to-day dealer use include sales tickets, repair orders, time records, inventory cards and many others.

ASSOCIATIONS SERVING DEALERS IN NORTH AMERICA

ALABAMA FARM & POWER EQUIPMENT DEALERS ASSOCIATION
P. O. Box 630, Auburn, Alabama 36830

FARM EQUIPMENT DEALERS ASSOCIATION OF ALBERTA/BRITISH COLUMBIA
3801G - 21st St. NE, Calgary, Albt., Canada T2E 6T 5

CAROLINAS FARM & POWER EQUIPMENT DEALERS ASSOCIATION
P. O. Box 3776, Wilson, North Carolina 27893

DEEP SOUTH EQUIPMENT DEALERS ASSOCIATION
P. O. Box 626, Baton Rouge, Louisiana 70821

FAR WEST EQUIPMENT DEALERS ASSOCIATION
1601 N. Main St., Suite 204, Walnut Creek, California 94596

GEORGIA FARM EQUIPMENT ASSOCIATION
428 Academy Ave., Dublin, Georgia 31021

ILLINOIS RETAIL FARM EQUIPMENT ASSOCIATION
P. O. Box 1227, Peoria, Illinois 61654

INDIANA IMPLEMENT DEALERS ASSOCIATION
6112 North College Ave., Indianapolis, Indiana 46220

INTERMOUNTAIN ASSOCIATION HARDWARE & IMPLEMENT DEALERS
2230 Main St., Boise, Idaho 83706

IOWA FARM EQUIPMENT ASSOCIATION
2716 Grand Ave., Des Moines, Iowa 50312

KENTUCKY FARM & POWER EQUIPMENT DEALERS ASSOCIATION
1210 Commonwealth Building, Louisville, Kentucky 40202

MAR-DEL-VA FARM & POWER EQUIPMENT ASSOCIATION
P. O. Box 285, Winchester, Virginia 22601

MICHIGAN FARM & POWER EQUIPMENT ASSOCIATION
P. O. Box 26008, Lansing, Michigan 48909

MID-SOUTH FARM EQUIPMENT ASSOCIATION
P. O. Box 17777, Memphis, Tennessee 38117

MID-WEST RETAIL FARM EQUIPMENT ASSOCIATION
4331 North 65th St., Omaha, Nebraska 68104

RETAIL FARM EQUIPMENT ASSOCIATION OF MINNESOTA & SOUTH DAKOTA
129 East Broadway, Owatonna, Minnesota 55060

MISSISSIPPI VALLEY FARM EQUIPMENT DEALERS ASSOCIATION
10877 Watson Rd., St. Louis, Missouri 63127

MONTANA HARDWARE & IMPLEMENT ASSOCIATION
P. O. Box 4459, Helena, Montana 59601

MOUNTAIN STATES HARDWARE & IMPLEMENT ASSOCIATION
1380 Carr Street, Lakewood, Colorado 80215

NEW ENGLAND EQUIPMENT DEALERS ASSOCIATION
P. O. Box 295, Norfolk, Massachusetts 02056

NEW JERSEY LAWN, INDUSTRIAL & FARM EQUIPMENT DEALERS ASSOCIATION
P. O. Box 71, West Trenton, New Jersey 08628

NEW YORK FARM EQUIPMENT DEALERS ASSOCIATION
3 Broad St., Hamilton, New York 13346

NORTH DAKOTA IMPLEMENT DEALERS ASSOCIATION
P. O. Box 2524, Fargo, North Dakota 58102

OHIO ASSOCIATION OF FARM & POWER EQUIPMENT RETAILERS
4216 Indianola Ave., Columbus, Ohio 43214

OKLAHOMA HARDWARE & IMPLEMENT ASSOCIATION
3801 NW 63rd, Suite 235, Oklahoma City, Oklahoma 73116

ONTARIO RETAIL FARM EQUIPMENT DEALERS ASSOCIATION
3601 Lawrence Ave. E, Scarborough, Ont. Canada M1G1P5

PACIFIC NORTHWEST HARDWARE & IMPLEMENT ASSOCIATION
333 SW 5th Avenue, Room 606, Portland, Oregon 97204

PENNSYLVANIA FARM & POWER EQUIPMENT ASSOCIATION
P. O. Box 4401, Harrisburg, Pennsylvania 17111

ASSOCIATION DES MARCHANDS DE MACHINES ARATOIRES DE LA PROVINCE DE QUEBEC
Suite 10, 2602 8th St., East, Saskatoon, Sask, Canada S7H 0V7

SASKATCHEWAN MANITOBA IMPLEMENT DEALERS ASSOCIATION
Suite 10, 2602 8th St., East, Saskatoon, Sask. Canada S7H 0V7

SOUTHERN ASSOCIATION
2111 Smith St., Orange Park, Florida 32073

SOUTHWEST HARDWARE & IMPLEMENT ASSOCIATION
P. O. Box 18458, Fort Worth, Texas 76118

VIRGINIA FARM & INDUSTRIAL EQUIPMENT DEALERS ASSOCIATION
P. O. Box 11362, Richmond, Virginia 23230

WESTERN RETAIL IMPLEMENT & HARDWARE ASSOCIATION
P. O. Box 19264, Kansas City, Missouri 64141

WISCONSIN FARM EQUIPMENT ASSOCIATION
P. O. Box 4364, Madison, Wisconsin 53711

in cooperation with

NATIONAL FARM & POWER EQUIPMENT DEALERS ASSOCIATION
10877 Watson Road • St. Louis, Missouri 63127